is sometimes heard that one Panchayat has got a larger grant than another or that it was not given the full grant it applied for. The only relevant point to be considered is the importance and the urgent necessity of the work proposed.

I observed last year that, on account of the growing expenditure for Panchayats, the time had come for taking stock of the situation and finding out fresh means of satisfying the needs of the Panchayat Administration by levy of a local cess, if need be. Definite proposals in the matter have been called for, and before a final decision is arrived at, I need not assure the House, they will be duly placed before the Council.

Co-operative Department.—During the last budget session of the Council several members offered criticisms pointing out the directions in which the activities of the department should develop. There were also criticisms that the department was undermanned. Government have now decided on the strengthening of the staff by one Inspector, a clerk and a peon from the 1st Karkadagam 1102, pending the report of the Special Finance Committee, as they have been convinced that the work is such that the present staff is unable to cope with. In placing the above before the House, I shall attempt to trace the development of this department in the State and the circumstances which have induced the Government to strengthen the staff.

The Co-operative Regulation was passed in the year 1088. The first Registrar was an Honorary Officer and there was no staff specially sanctioned to him. It was, however, recognised very soon that, if the movement was to make any headway, a paid officer was necessary, and accordingly, the Superintendent of Registration was appointed Ex-officio Registrar of Co-operative Societies. The subject of co-operation is a technical one, and it was, therefore, found that an officer with some experience in the administration of Co-operative Societies was necessary. A separate Co-operative Department was accordingly organised in 1090, and a full-timed Registrar was appointed with a small staff. Since then, Co-operation has been making progress in the State, and at the end of 1101 we had 140 Societies with a working capital of Rs. 11,23,275 and membership numbering 15,412.

Though the movement has thus established itself firmly, we have not yet gone above the stage of credit Societies, and out of the 263 villages in the State the majority are still without even a credit Society. In reviewing the last Administration Report of the Department Government observed—'The Central

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Co-operative Institute received a grant of Rs. 5,000 from the Government. Its chief aim is propagation of valuable information in connection with co-operation and its utility. Organisations are, however, needed for better economic uplift, for the supply of agricultural and domestic requirements, for the purchase and sale of useful articles and the like. For these purposes, educated people should move in the matter in larger numbers and interest themselves in the formation of such societies.'

The Co-operative movemet in the States had to go through three successive stages. During the first stage, the Registrar had to work his way up alone with very little of non-official help. During this period the financing of primary societies was also undertaken by the Government. This arrangement required a change, and in the year 1093 the Cochin Central Co-operative Bank was organised. Thereby the Registrar was partly relieved from the work of finding funds for the working of the societies. This marks the second stage. Propaganda and organisation are the essential requisites for the development of Co-operation. These are generally attended to by non-official bodies; but such an agency was wanting in the State till lately. This want too was supplied in 1099 by the organisation of the Central Institute.

Thus all the three requisites for guiding and controlling the Co-operative movement have been brought into existence in the State. For a more efficient working of the department, the Registrar has been asking for a thorough re-organisation and strengthening of the staff. In the Madras Presidency an Inspector has in his charge, on an average, only 28 Societies, with membership and working capital coming to 63 and Rs. 9,461 only. On the other hand we have only three Inspectors for the 150 Societies which are now reported to be working which give an average of 50 Societies per officer, the average membership and working capital being 118 and Rs. 10,069 respectively. I think I have now fairly succeeded in placing before you the urgent necessity of strengthening the staff of a department which has a bright future before it, and which ought to be brought to as high a level of efficiency as possible for the benefit of the rural population.

The staff have now been sanctioned only temporarily for six months pending the recommendations of the Special Finance Committee when the whole question will be reconsidered.

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Forests and Tramway.—I now come to 'Forests' under which we estimate for an increased expenditure of Rs. 93,000 over the revised estimate of Rs. 1,98,200 mainly due to the larger quantity of timber proposed to be extracted in 1103. Under 'Tramway' the estimate is fixed at Rs. 1,30,100 as against the revised estimate of Rs. 1,28,500. The question of the abolition or continuance of the Tramway was referred to the Special Finance Committee for enquiry and report. Their report is now in the hands of the Government. I feel I would be failing in my duty if I do not pay, on behalf of the Government, a tribute to the masterly report submitted by the Committee and the powerful notes of dissent which accompanied it. It would indeed have lightened the work of the Government considerably, if the report had been unanimous. But they realise that on a subject of such magnitude, which has been a bug-bear to successive administrations, no such unity is possible. In the majority report they say.—

"Taking all the circumstances into consideration we are reluctantly, but unavoidably forced to the conclusion that the Tramway should be abandoned by the Government." They further go on—

"We do not, however, recommend its immediate abandonment and the disposal of its materials. We understand from the Conservator that there are already about 8,000 candies of timber in stock beyond Kuriarkutti awaiting transport by the Tramway, and that there are also about 25,000 candies still remaining to be extracted in the area served by the Tramway. He proposes to have the work of extraction and transport of this quantity of timber carried out in three years, and estimates the aggregate net gain on this account at Rs. 1,20,000. Surely it should not be beyond the capacity of the Forest Department to extract 25,000 candies of timber and of the Tramway to transport 33,000 candies in half the period mentioned by the Conservator and thereby more than double the anticipated net gain. We would, therefore, recommend the continuance of the Tramway till the end of Makaram 1103, but not a day more. The Conservator and the Tramway Engineer should be made distinctly to understand that the work should not be delayed beyond this period, that not a single candy of timber should be extracted after the end of the current year, nor remain untransported after the last day of Makaram 1103 and that extraction should be confined to valuable species of timber mainly teak and rose-wood."

Government are, however, assured that in the present condition of the Tramway it will not be possible to bring down the

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quantity of timber in so short a period as recommended by the Committee. But if the work is pushed through which the Government are insisting, it may be possible to bring down the timber perhaps in 1103 itself. This was the policy announced by me in presenting the budget statements for 1102, and I may assure the House that the policy will strictly be adhered to and every endeavour will be made to bring down all available timber during the coming year. Hence the provision for the continuance of the Tramway. The House will also be pleased to observe that under 'Tramway' a provision of Rs. 15,550 is made for the purchase of some locomotive boilers. To those who have travelled in the Tramway recently the rickety condition of the engines must be a matter of experience. These are, therefore, absolutely necessary for the working of the Tramway during the coming year, and hence the provision.

I think, I have now been able to convince the House in a way as to the necessity of the provisions made under 'Forests' and 'Tramway' for 1103, and I hope that they will find their way to pass the whole amount. If the Members still entertain any doubt on the question, I am sure that my friend, the Member for 'Forests' will be able, when his turn comes, to present an irresistible case in defence of the policy adumbrated above, which, it is not in my province to go into in further details.

Education.—I now pass on to the Education Department, and I heartily congratulate the Member for 'Education' for his ability to secure larger amounts year, after year and for thus being able to decisively defeat the Member for 'Public Works' during the last three years in the race for expenditure to which I referred when presenting the budget estimates of 1101 M. E. Reviewing the growth of expenditure under 'Education' then, I observed that 'at this rate of growth it will be impossible to finance education a few years later, unless adequate steps are taken to provide permanent sources of revenue for meeting the expenditure.' This alarming growth of expenditure on 'Education' is not, however, a feature of our State alone. It is a matter of strange coincidence that, when I was making this observation, the Finance Member for Travancore too was at the same time before the Travancore Legislative Council, characterising the growth of expenditure on 'Education' there as 'staggering' and was remarking that "within the last 16 years the expenditure on Education has risen by 528 per cent (from Rs. 7.55 lakhs in 1085 to Rs. 30.87 lakhs in 1101). This disproportionate growth cannot but be viewed with serious misgivings. . . . . But I am sure

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